

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-267-E - ORDER NO. 2005-512
SEPTEMBER 20, 2005

IN RE: Joint Motion of Duke Power, a Division of) ORDER GRANTING
Duke Energy Corporation, Progress Energy) WAIVER OF DEPOSIT
Carolinas, Incorporated and South Carolina) REGULATION
Office of Regulatory Staff to Temporarily)
Suspend (Waive) Establishment of Credit)
Requirements for Evacuees of Hurricane)
Katrina.)

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Joint Motion of Duke Power, a division of Duke Energy Corporation (Duke), Progress Energy Carolinas, Inc. (Progress Energy) and the Office of Regulatory Staff (ORS) (collectively, the Joint Movants) for approval for Duke and Progress Energy to suspend the customer deposit requirements contained in 26 S.C. Code Ann. Regs.103-331 (1976, as amended) for evacuees of Hurricane Katrina, as being in the public interest.

Due to the unprecedented nature of the natural disaster caused by Hurricane Katrina and in an effort to assist the large number of evacuees that have been forced to relocate to new communities, including those in South Carolina, Duke and Progress Energy propose to suspend these requirements through December 31, 2005, for applicants for electric service who have suffered catastrophic loss as a result of Hurricane Katrina and are relocating from an area that has been declared a Disaster Area for Individual Assistance by Presidential declaration.

These areas consist of counties and parishes in Florida, Louisiana, Mississippi, and Alabama and are identified by Federal Energy Management Administration designations FEMA-1602-DR, FEMA-1603-DR, FEMA-1604-DR, and FEMA-1605-DR. Duke Power, Progress Energy, and ORS further propose that for customers for whom Duke Power and Progress have waived the deposit requirement, the Companies may review these accounts four months following connection and require the customers to establish credit under Regulation 103-331 (1976, as amended), which could include payment of a deposit, if such customers have established an unsatisfactory payment pattern.

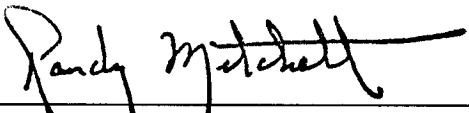
Accordingly, the Joint Movants request that this Commission grant the request on an expedited basis as Duke and Progress Energy are currently receiving applications for electric service from evacuees.

26 S.C. Code Ann. Regs. 103-301(3)(1976, as amended) allows waiver of a Commission regulation in any case where compliance with it introduces unusual difficulty, and the Commission finds that the waiver is in the public interest. Clearly, 26 S.C. Code Ann. 103-331(1976, as amended) should be waived under the circumstances. Hurricane Katrina produced unprecedented devastation in the Gulf Coast region. Compliance with the regulation by evacuees from that region would no doubt produce unusual difficulty in posting a deposit, in that many of them lost all of their worldly possessions as the result of Hurricane Katrina. Further, we believe that the waiver is clearly in the public interest, in that it allows Duke and Progress Energy to more easily provide electric service to the evacuees under the circumstances.

Accordingly, the waiver is granted through December 31, 2005. However, the Companies may review these accounts in the future and require the customers to establish credit under 103-331, if such customers have established an unsatisfactory payment pattern.

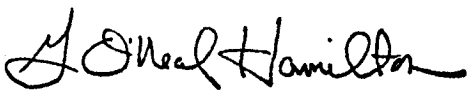
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice-Chairman

(SEAL)